

BEFORE THE
SURFACE TRANSPORTATION BOARD

In the Matter of:

RAILROAD COST RECOVERY
PROCEDURES - PRODUCTIVITY
ADJUSTMENT

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) Ex Parte No. 290 (Sub-No. 4)
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COMMENTS OF THE WESTERN COAL TRAFFIC LEAGUE

In response to the Board's decision in the above-captioned proceeding served February 1, 2010, the Western Coal Traffic League ("WCTL")¹ submits the following comments concerning the Board's proposed calculation of 2010 productivity for use in the Rail Cost Adjustment Factor productivity adjustment.

WCTL concurs in the Board's calculation of the 2008 input index value of 0.970 for 2008. WCTL notes that the input index value utilizes publicly-available information and that the calculation is thus transparent.

WCTL has concerns about the output index calculation of 0.967. The Board uses the costed waybill sample to calculate the output index. Because the costed waybill sample is generally unavailable to shippers, WCTL is not in a position to replicate or verify the Board's calculations. However, the fact that the Board calculated a

¹ WCTL is a voluntary association, whose regular membership consists entirely of utility shippers of coal mined west of the Mississippi River that is transported by rail. WCTL members presently ship and receive in excess of 140 million tons of coal by rail each year. A list of WCTL's members is attached as Exhibit A.

3.3% decrease in railroad output for 2008 relative to 2007, when total ton-miles actually increased in 2008 relative to 2007 by 0.4%, is of inherent concern. However, WCTL cannot investigate that possibility without access to the underlying data as well as the Board's programming.

WCTL is further concerned by the fact that the Board has needed to revise or correct its output index calculations in each of the past two years. The Board has not been clear as to the exact nature of the revisions, perhaps because they relate to the costed waybill sample. That said, WCTL is concerned that whatever factors may have led to the revisions in the past two years may also be present in the 2008 calculation.

In particular, WCTL is concerned that the Board's electronic workpapers for the 2008 calculation (wbstb.dat) show, for 2007, totals of only \$50.8 billion in revenues and 1.391 trillion revenue total ton-miles for the costed waybill sample. In the STB workpapers, the costed waybill revenues for 2008 are 39% greater than the revenues shown for 2007. The STB workpapers also show that the ton-miles generated in 2008 from the costed waybill sample are 21% greater than the comparable value for 2007. The figures for 2007 appear to be substantially lower than what would be expected. The reduced coverage in the costed waybill sample raises the possibility that some traffic in 2007 may have not been properly measured. Again, WCTL lacks access to the information required to make a more specific recommendation, but believes that the matter warrants further examination.

Accordingly, WCTL urges the Board to investigate the apparent gaps in the data and calculations and either (1) provide a reasonable explanation, or (2) correct its calculation.

Respectfully submitted,

WESTERN COAL TRAFFIC LEAGUE

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Dated: February 22, 2010

Its Attorneys

EXHIBIT A

WESTERN COAL TRAFFIC LEAGUE MEMBERS

Ameren Energy Fuels and Services

Arizona Electric Power Cooperative, Inc.

Austin Energy (City of Austin, Texas)

CLECO Corporation

CPS Energy

Kansas City Power & Light Company

Lower Colorado River Authority

MidAmerican Energy Company

Minnesota Power

Nebraska Public Power District

Omaha Public Power District

Texas Municipal Power Agency

Western Farmers Electric Cooperative

Western Fuels Association, Inc.

Wisconsin Public Service Corporation

Xcel Energy

Certificate of Service

I hereby certify that today, February 22, 2010, copies of the foregoing Comments of the Western Coal Traffic League have been served on all parties of record in this proceeding by first class mail, postage prepaid, in accordance with the Board's Rules of Practice.

/s/ Robert D. Rosenberg